

TOP SECRET



The President's Daily Brief

August 19, 1975

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FOR THE PRESIDENT ONLY

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PORTUGAL

Prime Minister Goncalves' public appearance last night--a rare occurrence since the challenge to his leadership began--came on the heels of several days of emergency meetings with his cabinet and renewed efforts by President Costa Gomes to resolve differences among the various factions of the ruling Armed Forces Movement.

[redacted] the labor union rally, at which the Prime Minister spoke, was the first in a series of public demonstrations to drum up popular support for him.

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The anti-communist group led by Major Melo Antunes is continuing its efforts to reach a compromise with the radical leftist group of General Otelo de Carvalho. Carvalho reportedly is seeking assurances that the revolution will not veer to the right if the present regime is ousted. A source close to Antunes has told Ambassador Carlucci that this week will be decisive as to whether a compromise can be arranged.

One key officer who has remained in the background during most of the present power struggle is Admiral Rosa Coutinho. He began a two-week visit to Latin America yesterday that will take him first to Cuba and then to the conference of nonaligned nations in Lima. Rosa Coutinho's absence during this critical period may permit him to avoid taking sides in the current struggle and to maintain substantial influence whatever the eventual outcome.

Goncalves' Communist Party supporters have scheduled a rally today in the northern city of Porto. A brief general strike, called for today by the Communist-dominated trade union confederation to protest the recent wave of anti-communist violence, has been scaled down to apply only in the Lisbon area.

(continued)

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Security forces yesterday fired on a mob that attacked and destroyed a Communist Party headquarters in a small town north of Porto. One person was killed and 100 were injured.

Violence against the Communists has spread to the island of Terceira in the Azores, where thousands of farmers yesterday destroyed offices of left-wing parties and beat up Communists in the streets; 15 persons were injured. The Portuguese contingent at Lajes air base--where the US maintains facilities--has been placed on alert.

Anti-communist sentiment in the Azores has been a key motivating factor in the islands' drive for independence from the mainland. Recurring demonstrations at the present time could be exploited by separatists to trigger an independence declaration.

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ISRAEL

Right-wing critics of the Israeli government's negotiating position with Egypt are preparing to mount widespread demonstrations to coincide with Secretary Kissinger's visit to the Middle East this week. There is no evidence to suggest that such tactics will dissuade the government from its chosen course of action, or that right-wing pressures will prevent ratification by the Knesset of an eventual agreement worked out by the team composed of Prime Minister Rabin, Defense Minister Peres, and Foreign Minister Allon. Rabin could at some point, however, use the demonstrations to justify Tel Aviv's refusal to make further concessions.

A substantial and growing number of Israelis are clearly uneasy about the outcome of the negotiations with Egypt. They fear that Secretary Kissinger's arrival in Tel Aviv Thursday signals intensified US pressure on Israel to make additional concessions to Egypt without an adequate guarantee from Cairo against a new attack. The most recent Israeli public opinion poll shows a sharp decline since April in the number of Israelis who think that Washington's Middle East policy supports Israel.

Some of this uncertainty is also reflected in the cabinet. The conservative minister of religious affairs told reporters after last Sunday's five-hour cabinet meeting that the debate centered on the timing of Secretary Kissinger's trip to the Middle East. The minister thought further "clarifications" in Washington were needed.

Rabin defended [] the Secretary's visit [] on the grounds that the negotiations have now reached an "advanced" stage.

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[] an interim agreement with Egypt would not only provide a chance to improve Arab-Israeli relations but would also lead to "unprecedented" US-Israeli understanding.

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NOTES

Details concerning the recent coup attempt in
 Libya [redacted]

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Qadhafi's control apparently was never in serious jeopardy; the army remained loyal and the major cities were calm. [redacted]

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[redacted] Tension in Tripoli has relaxed considerably over the last several days. Border posts have been reopened to Libyan travelers, and the ban on Egyptians coming into Libya, first imposed in late May, has now been lifted. An indirect reference to the abortive coup in an editorial in one of Libya's leading newspapers warned of a possible purge. This warning was underscored by a series of council decrees issued over the weekend making subversion, contact with foreign powers, and other political crimes punishable by life imprisonment and, in some cases, death.

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Leaders of the less radical fedayeen organizations, including the Palestine Liberation Organization, may adopt more extreme policies in the event that another Egyptian-Israeli disengagement is implemented.

PLO Chairman Arafat, according to a pro-fedayeen newspaper in Beirut, has said that his organization "rejects the American settlement and will resist it through the barrels of our guns." Although such rhetoric is usually intended for internal fedayeen consumption, it might in this case presage an increase in terrorist activity designed to bolster Arafat's diminished prestige. Syria's position on the settlement, however, remains crucial to Arafat. If the Egyptians are able to limit Syrian criticism of the settlement, the Palestinians will have little choice but to follow Damascus' lead. If Syria becomes disillusioned with Egypt and abets Palestinian obstructionism, Arafat and his associates may initiate a new round of terrorist activity in Israel and abroad.

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